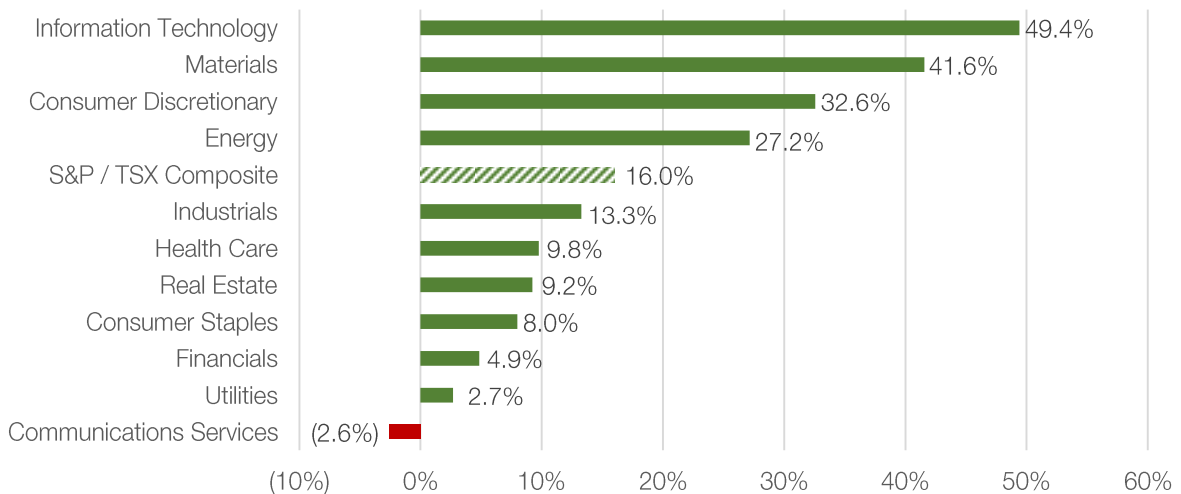


Q2 2020: TSX records strongest quarter since Q2 2009

Information Technology, Materials, Consumer Discretionary and Energy sectors all post 25%+ gains

Q2 2020 Capped Sector Performance



Q2 2020 Highlights

- The S&P/TSX Composite returned +16.0% in Q2, marking the strongest quarter for the index since Q2-2009. YTD the S&P/TSX Composite is down -9.1%.
- Of the 237 stocks that were in the TSX Composite at some point during Q2, 205 (86%) recorded a gain.
- In Q2, small caps (S&P/TSX SmallCap) significantly outperformed mid-capitalization (S&P/TSX Completion) which in turn significantly outperformed large cap (S&P/TSX 60). The exact opposite is true YTD.
- In Q2, the Canadian market underperformed the US market in home currency terms (US returned +20.0%) but outperformed in Canadian dollar terms (US market returned +15.2% in C\$ terms).
- Ten of the eleven sectors generated positive returns in Q2.
- Information Technology was the biggest gainer among the sectors on the back of Shopify which became the largest stock in the index by market capitalization.
- Materials was the second strongest sector due to strong gains in gold and precious metals stocks, five of which were among the top ten index contributors.
- The Consumer Discretionary and Energy sectors also posted strong quarterly gains.

2020 Index Returns	Q2	YTD
S&P/TSX Composite	+16.0%	-9.1%
S&P/TSX 60 (Large Cap)	+13.9%	-8.0%
S&P/TSX Completion (Mid Cap)	+24.7%	-13.1%
S&P/TSX SmallCap	+37.7%	-15.5%

Q2 Biggest Contributors	Q2 Biggest Detractors
Shopify	TC Energy Corporation
Barrick Gold	Nutrien
Wheaton Precious Metals	Loblaw Companies
Franco-Nevada Corporation	Thomson Reuters
Alimentation Couche-Tard	Rogers Communications
Agnico-Eagle Mines	Bank of Nova Scotia
Canadian National Railway	Fortis
Royal Bank of Canada	BCE Inc
Constellation Software	Algonquin Power & Utilities
Kinross Gold	Saputo

Sector	Q2 Returns	Biggest Impacts
Information Technology 10% of S&P/TSX Composite	+49.4%	<ul style="list-style-type: none"> Shopify (+119%) led sector and overall index contributors as it announced quarterly revenues that surged 47% year-on-year as companies sought to develop e-commerce platforms during the COVID-19 pandemic that's left brick-and-mortar sites closed. The company reported a quarterly profit instead of an expected loss and a number of price target increases from analysts ensued. Shopify is now Canada's largest company by market capitalization. Constellation Software (+20%) was the second leading contributor from the sector.
Materials 15% of S&P/TSX Composite	+41.6%	<ul style="list-style-type: none"> Gold and precious metals producers led the sector higher with Barrick Gold (+41%), Wheaton Precious Metals (+54%), Franco-Nevada (+35%), Agnico-Eagle Mines (+55%) and Kinross Gold (+73%) leading sector contributors as gold prices rose 13% in Q2 on safe-haven demand in reaction to the COVID-19-related global recession, equity market volatility and a weakening US dollar. Nutrien (-9%) led sector detractors on quarterly earnings that failed to meet analyst expectations.
Consumer Discretionary 3% of S&P/TSX Composite	+32.6%	<ul style="list-style-type: none"> Restaurant Brands International (+30%) was the leading sector contributor as it recouped about two-thirds of its Q1 share price losses on optimism about COVID-19 reopening plans. Magna International (+35%) ranked second among sector contributors as it regained about three-fifths of its Q1 share price losses on optimism about the resumption of North American vehicle production.
Energy 12% of S&P/TSX Composite	+27.2%	<ul style="list-style-type: none"> The S&P GSCI Energy commodity price index rebounded 61% in Q2, after its 61% Q1 collapse, causing producers such as Canadian Natural Resources (+22%), Imperial Oil (+37%) and Cenovus Energy (+124%) to rank first, second and third, respectively, among sector contributors in Q2. Pipelines were mixed with Pembina Pipeline (+29%) the fourth largest contributor from the sector on diminishing fears of a potential dividend cut while TC Energy (-7%) was the largest sector detractor on reports that Joe Biden will kill its proposed Keystone XL oil pipeline if elected US president.
Industrials 12% of S&P/TSX Composite	+13.3%	<ul style="list-style-type: none"> Canadian National Railway (+9%) and Canadian Pacific Railway (+11%) ranked first and third, respectively, among sector contributors as both announced better than expected quarterly earnings and on optimism that railroad traffic, which was way down in Q2, would rebound later in the year. Waste Connections (+16%) was the second leading sector contributor on optimism about business rebounding from COVID-19 impacts experienced in late-Q1 and early-Q2. Thomson Reuters (-4%) led sector detractors as the European Union's antitrust authority opened an investigation into Thomson Reuters' sale of a large stake in Refinitiv to the London Stock Exchange.
Health Care 1% of S&P/TSX Composite	+9.8%	<ul style="list-style-type: none"> Bausch Health Companies (+14%) led sector contributors on news that a regulatory filing indicated that Glenview Capital Management and its CEO Larry Robins now owned about 5.1% of the company's outstanding shares.
Real Estate 3% of S&P/TSX Composite	+9.2%	<ul style="list-style-type: none"> The sector recouped about one-quarter of its Q1 losses as fears that economic disruptions caused by COVID-19 would lead to delays and defaults in rent payments abated somewhat. FirstService Corporation (+26%), Canadian Apartment Properties REIT (+14%) and Brookfield Property Partners (+18%) led sector contributors.
Consumer Staples 4% of S&P/TSX Composite	+8.0%	<ul style="list-style-type: none"> Alimentation Couche-Tard (+28%) was the leading sector contributor as investors bet that weaker fuel demand and convenience store sales associated with COVID-19 will prove short-lived. Loblaw Companies (-9%) led sector detractors as investors anticipated that its 10.7% year-over-year increase in revenues in Q1, as consumers stockpiled grocery and pharmacy products amid the COVID-19 outbreak, would likely considerably moderate in coming quarters.
Financials 29% of S&P/TSX Composite	+4.9%	<ul style="list-style-type: none"> Banks were able to partially rebound from Q1 weakness but were still weighed down by concerns about rising loan loss provisions amid the COVID-19 pandemic. Royal Bank (+6%) led sector contributors with CIBC (+11%) third, National Bank (+13%) fifth, Toronto-Dominion Bank (+1%) ninth and Bank of Montreal (+2%) thirteenth. Bank of Nova Scotia (-2%) was the leading sector detractor. Brookfield Asset Management (+7%) ranked second among sector contributors. Life insurers were mixed with Sun Life Financial (+10%) fourth and Manulife Financial (+5%) eighth among sector contributors while Great-West Life (-2%) was the second leading sector detractor.
Utilities 5% of S&P/TSX Composite	+2.7%	<ul style="list-style-type: none"> Brookfield Infrastructure Partners (+9%), Northland Power (+21%) and Brookfield Renewable Energy Partners (+10%) were the largest sector contributors in Q2. Fortis (-5%) led detractors from the sector as quarterly earnings missed analyst expectations.
Communications Services 5% of S&P/TSX Composite	-2.6%	<ul style="list-style-type: none"> Rogers Communications (-7%) and BCE (-2%) led sector detractors on concerns that telecom companies may face margin pressure in the wake of COVID-19 disruptions to the economy.